

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER UTILITIES, INC. FOR THE)
APPROVAL OF THE SEMI-ANNUAL ADJUSTMENT)
TO THE DISTRIBUTION SYSTEM IMPROVEMENT) DOCKET NO. 17-1148
CHARGE ("DSIC") EFFECTIVE JANUARY 1, 2018)
PURSUANT TO 26 *DEL. C.* § 314(b)(5))
(FILED NOVEMBER 20, 2017,)
AMENDED DECEMBER 12, 2017))

ORDER NO. 9162

This 21st day of December 2017, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on November 20, 2017, Tidewater Utilities, Inc. ("Tidewater") filed an application (the "Application") and on December 12, 2017, filed a revised application and accompanying schedules (the "Revised Application") to increase its "Distribution System Improvement Charge" ("DSIC Rate")¹ pursuant to 26 *Del. C.* § 314; and

WHEREAS, Tidewater seeks to increase its DSIC Rate from 2.43% to 2.99%. The requested DSIC Rate is based on net additional plant of \$405,009 placed into service between May 1, 2017 and October 31, 2017, and an associated semi-annual depreciation expense of \$5,294; and

WHEREAS, on December 12, 2017, Tidewater filed the Revised Application that incorporated an \$8,000 overearnings adjustment that is the result of amending for the out of period portion of a multiple year refund of insurance premiums received and recorded in the current year; and

¹ The DSIC Rate mechanism is described in greater detail in PSC Order No. 5850, dated December 11, 2001.

WHEREAS, Staff reviewed the Revised Application and determined that the requested revised DSIC Rate of 2.99% is less than a 5% increase in current rates and, therefore, satisfies the requirements of 26 Del. C. § 314(b)(7); and

WHEREAS, Staff recommends that the Commission not specifically approve the requested DSIC Rate, but rather permit the requested DSIC Rate to become effective January 1, 2018 on an interim basis subject to Staff's review, audit, and annual reconciliation based on the 12-month period ending December 31, 2018 (the "Audit"); and

WHEREAS, Staff further recommends that if the Audit reflects that the requested DSIC Rate was improperly calculated, the Commission revise the requested DSIC Rate and provide appropriate remedies for any improperly collected DSIC charges.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. § 314, the requested DSIC Rate of 2.99% shall become effective January 1, 2018, on an interim basis subject to the Audit and final approval.

2. Pursuant to 26 Del. C. § 314(b)(1), Tidewater shall provide information to its customers concerning the requested DSIC Rate.

3. Pursuant to 26 Del. C. § 314(b)(8), the Commission reserves jurisdiction and authority to conduct the Audit. Tidewater is hereby notified that it may be obligated to refund or reimburse customers if the Audit reflects that the requested DSIC Rate was improperly calculated. The Commission can revise the requested DSIC Rate and

provide appropriate remedies for any improperly collected DSIC charges.

4. Tidewater is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. § 114(b).

5. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary